



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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8 DECEMBER 1965

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1. Rhodesia

Most African countries are having second thoughts about breaking with Britain if the Smith government is not brought down next week. Whitehall in turn is not particularly alarmed.

Only Tanzania has committed itself publicly to a break. Ghana may follow suit, but most other African states see the move as either harmful to themselves or ineffective, or both.

Talks between Britain and Zambia on the question of ground troops are still going on.

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2. Mozambique

The Portuguese position in this southeast African territory continues to erode.

Brazilian, French, and German military attachés, who visited Mozambique late last month, have told US officials that African nationalist rebels in the northern part of the country are gradually developing an impressive guerrilla warfare capability.

The rebels are supported by various African states from bases in Tanganyika. However, these attachés confirm that the Portuguese blame the US for their troubles in Mozambique. The US consul in Lourenco Marques says that for the past few months US official personnel have been under tighter surveillance by Portuguese security organs.

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3. Soviet Union

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4. Guatemala

The chances of a coup are increasing as the internal security situation in Guatemala continues to deteriorate.

So far, the Peralta government has been unable to cope with a recent wave of Communist-inspired kidnappings which has terrorized the business community.

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5. Indonesia

The army continues to go its own way in defiance of Sukarno's line. On Monday, for instance, only hours after the President demanded that political moves be left up to him, the Djakarta military commander banned the Communist Party in the capital.

The embassy, after studying Sukarno's latest speech, concludes that the most lasting impression coming from it is of an old man rapidly losing touch with a complex political situation which he had manipulated with such skill for so long.

6. Communist China

Peking's trade with the Free World will probably hit a record level of about \$2.5 billion this year, some 25 percent above 1964.

The increase with Japan is particularly striking. The total for 1965 is expected to reach \$450 million, up 45 percent over last year. This would mean that Japan has replaced the Soviet Union as China's leading trading partner. Japan's trade with China is still only a small fraction of total Japanese trade, however.

Peking now conducts less than one third of its trade with other Communist countries. This proportion may well drop further next year because of China's need for large grain and fertilizer imports from outside the bloc and because of the regime's preference for Western technology.

7. Laos

For the first time, the Communists have been observed sending fuel tank trucks down a road in the Laos panhandle. A roadwatch team saw twelve such trucks moving south on 8 December. Each had a capacity of some 1,000 gallons.

Prior to this all petroleum shipments seen in the panhandle were carried in drums, a less efficient method.

The trucks seen on 8 December could be carrying fuel to depots along the road, or they themselves may serve as refueling units. In either case, their appearance is another indication that the Communists intend to increase truck traffic through the panhandle into South Vietnam.

Evidence of this can also be seen at the truckheads in North Vietnam. Intercepted messages confirm that petroleum products delivered during the past two months to southern North Vietnam are far in excess of local needs.

8. South Vietnam

The forthcoming Buddhist conference in South Vietnam may become the sounding board for a new peace appeal.

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9. Eastern Europe

Relations among the East European Communist states are becoming more and more openly based on simple considerations of national interest.

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10. Turkey

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